Message Text

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ACTION AF-06

INFO OCT-01 NEA-10 ISO-00 SP-02 USIA-06 AID-05 EB-07

NSC-05 CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01

CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03

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SUBJECT: CAMEROON-LIBYAN COOPERATION AGREEMENTS

REF: A. 75 YAOUNDE 4130 B. YAOUNDE A-3, JAN 20, 1976

C. YAOUNDE A-104, NOV 17, 1795

1. SUMMARY. ACCORDING TO FINAL COMMUNIQUE, FIRST MEETING OF CAMEROONIAN-LIBYAN MIXED COMMISSION MARCH 15-21 LED TO ESTABLISHMENT OF JOINT INVESTMENT BANK, AGREEMENT ON TATUTES FOR AGRICULTURAL/LIVESTOCK PRODUCTION COMPANY, AND LOAN TO HELP FINANCE PLANNED NEW HOSPITAL IN YAOUNDE. VARIOUS SOURCES INDICATE BARGAINING WAS VERY TOUGH, AGREEMENTS NOT RPT NOT YET SET IN CONCRETE, AND CAMEROONIAN SIDE HARDLY DELIGHTED BY RESULTS. GURC STILL LACKS, FOR PRESENT AT LEASE, ADEQUATELY IMPRESSIVE RESULTS TO PUT TO REST GRIPING THAT UNREMITTING SUPPORT FOR ARAB CAUSE HAS FAILED TO PAY APPROPRIATE DIVIDENDS.

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2. FIRST MEETING OF MINISTERIAL MIXED COMMISSION ESTABLISHED AS RESULT OF PRESIDENT AHIDJO'S VISIT TO LIBYA LAST OCTOBER TOOK PLACE IN YAOUNDE MARCH 15-21. NINE-MEMBER LIBYAN DELEGATION LED BY AHMED EL ATRASCH, ASSISTANT SECRETARY

OF STATE FOR TECHNICAL AFFAIRS AT FONMIN. GURC DELEGATION LED BY VICE FOREIGN MINISTER ADAOU NDAM NJOYA. LIBYANS DEPARTED CAMEROON FOR EQUATORIAL GUINEA WHICH WAS REPORTEDLY NEXT STOP ON THEIR VISIT TO DOZEN COUNTRIES.

- 3. ACCORDING TO FINAL COMMUNIQUE, GURC AND LIBYA SIGNED AGREEMENTS FOR (A) LIBYAN LOAN TO PROVIDE PARTIAL FINANCING OF CONSTRUCTION OF A NEW GENERAL HOSPITAL IN YAOUNDE AND (B) ESTABLISHMENT OF CAMEROONIAN-LIBYAN BANK FOR INVESTMENT AND FOREIGN TRADE. THEY ALSO INITIATED STATUTES FOR CAMEROONIAN-LIBYAN COOPERATION FOR AGRICULTURAL AND LIVESTOCK PRODUCTION, ANDSTUDIED COOPERATION IN OTHER DOMAINS
- 4. WHILE LOCAL PRESS REPORTS INDICATED ALL SWEETNESS AND LIGHT DURING THE MEETING, OTHER SOURCES INDICATED THAT BARGAINING WAS LONG AND HARD, AND GURC DID NOT GET AS MUCH AS IT WANTED. ACCORDING TO A DIPLOMATIC COLLEAGUE, VICE MINISTER NDAM NJOYA STATED THAT HE WOULD MUCH RATHER DEAL WITH WEST EUROPEANS, AND THAT THE MEETING HAD ALMOST BROKEN UP ON FINAL EVENING BUT DIFFERENCES WERE SUBMERGED AND AGREEMENTS SIGNED WHERE POSSIBLE. LOW LEVEL OF LIBYAN ASSISTANCE AND HARD BARGAINING WERE INDICATED CAUSES. LIBYAN LOAN WAS REPORTED TO CARRY STIFFER TERMS THAN CONCESSIONAL FUNDS FROM INTERNATIONAL DONORS.
- 5. WHILE NO DETAILS OF AGREEMENTS WERE RELEASED, EMBASSY HAS LEARNED THAT LIBYANS AGREED TO FINANCE ONLY 15 PER CENT OF HOSPITAL COST. THIS PROJECT IS NOT CONSIDERED VIABLE BY REGULAR AID DONORS, AND GURC PROBABLY RELYING ON LIBYANS WITH OTHER POLITICAL-ORIENTED DONORS TO PROVIDE FUNDING. SINCE ESTIMATED TOTAL COST OF HOSPITAL IS \$55 MILLION, LIBYAN CONTRIBUTION ABOUT \$8 MILLION. ACCORDING TO PRESS REPORTS, AMOUNT PROVIDED FOR HOSPITAL ROUGHLY EQUALS LIBYAN CONTRIBUTION TO CORPORATION FOR AGRICULTURAL AND LIVESTOCK PRODICTION. AT LEAST ONE OF PROJECTS IDENTIFIED FOR CONSIDERATION FOR FUNDING BY EITHER INVESTMENT BANK OR AGRICULTURAL/LIMITED OFFICIAL USE

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LIVESTOCK CORPORATION IS CAMSUCO SUGAR PROJECT FOR WHICH GURC HAS BEEN SEEKING FINAL AMOUNT NEEDED FOR FINANCING, ABOUT \$22 MILLION. KNOWLEDGEABLE GURC OFFICIAL TOLD EMBOFF, HOWEVER, THAT ACCORDS SIGNED BY LIBYANS WERE ONLY STATEMENTS OF INTENT AND THAT NO SPECIFIED AMOUNTS OR TERMS HAD BEEN AGREED UPON.

6. COMMENT: SINCE ITS BREAD WITH ISRAEL IN OCTOBER 1973, GURC HAS ENDORSED ARAB CAUSE IN INTERNATIONAL FORA AND ESTABLISHED RELATIONS WITH NUMBER OF ARAB COUNTRIES. PRESIDENT AHIDJO HAS REPEATEDLY PROCLAIMED AT HOME THAT SUPPORT FOR ARABS WAS PRINCIPLED MATTER OF JUSTICE

AND NOT SELLOUT FOR ARAB AID. THIS KIND OF DEFENSIVE LINE IS IN ANSWER TO WIDESPREAD CRITICISM AMONG CAMEROONIANS, WHO BEAR LITTLE LOVE FOR ARABS, THAT "SELFISH" ARABS HAVE FAILED ADEQUATELY TO REWARD THEIR BLACK AFRICAN SUPPORTERS. SOME ARAB AID TO CAMEROON HAS BEEN FORTHCOMING - \$5.4 MILLION IN LOANS TO COMPENSATE FOR PETROLEUM PRICE INCREASES, A \$10 MILLION LOAN APPROVED FOR DOUALA PORT IMPROVEMENT, WITH POSSIBILITIES FOR OTHER AID STILL APPARENTLY IN THE MILL. NEW LIBYAN CONNECTION SEEMED TO OFFER BIGGEST HOPE FOR SOMETHING MORE NOTABLE. THIS HOPE PRESUMABLY REMAINS, BUT OBTAINING CONCRETE RESULTS HAS PROVEN MORE ELUSIVE THAN GURC PROBABLY EXPECTED.

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